GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1488
ANSWERED ON:11.03.2005
ADVISORY GROUP FOR BANKS BOARD
Pingle Shri Devidas Anandrao

Will the Minister of FINANCE be pleased to state:

(a) whether RBI has constituted any advisory group to strengthen the supervisory role of bank boards;

(b) if so, the subjects under consideration of the said advisory group; and

(c) the time by which the aforesaid group is likely to submit its report?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) ;

(a) to (c) Recently, RBI has not constituted any advisory group to strengthen the supervisory role of bank boards. However, RBI had earlier set up, in November, 2001, the Consultative Group of Directors of banks and financial institutions, under the chairmanship of Dr. A.S. Ganguly, to review the supervisory role of Boards of banks and financial institutions and to obtain feed back on the functioning of the. Boards viz-a-vis compliance, transparency, disclosures, audit committees etc. and make recommendations for making the role of Board of Directors more effective with a view to minimising risks and over exposure. The group submitted its report in April, 2002.

On examining the recommendations of the Group, the same were forwarded along with the report, to scheduled commercial banks (excluding foreign banks) with a request to place the same before their Boards and to adopt and implement the same based on the decision of the respective Board.